

Testimony

By

Bob Carden

**President of
Carden and Associates, Inc.
Winter Haven, FL**

**Before the Subcommittee on General Farm
Commodities and Risk Management
Committee on Agriculture
U. S. House of Representatives**

July 10, 2003

Mr. Chairman, Members of the Committee, it is an honor for me to appear before you to discuss the status of the specialty crop insurance industry. My name is Bob Carden. I am the president of Carden and Associates, Inc., an insurance agency in Winter Haven, FL. I am also a member of Florida Citrus Mutual, and the Florida Nurserymen & Growers Association. My agency specializes in writing crop insurance for the specialty crops grown on the Florida peninsula. Currently, we have over 125,000 acres of citrus and \$700,000,000 in nursery inventory insured under the Federal Crop Insurance program, as well as more than 40,000 acres of other fruit and vegetable crops. This morning I would like to talk about the Federal Crop Insurance program as it relates to these crops specifically, and to specialty crops in general.

1. The Crop Insurance Program for Specialty Crops Not Perfect.

Because of their perishable nature and lack of Federal price support programs, specialty crops do not neatly fit into the standard yield/price structure used to insure traditional row crops. As such, specialty crop policies have been developed over the years to address crop-specific issues. While these policies do offer many benefits and protections to growers, improvements could greatly enhance their value as a risk protection tool. Industry representatives are regularly in touch with the Risk Management Agency (RMA) on these issues and RMA's regional staff is always willing to listen to industry suggestions. However, the needs of the specialty crop industry remain unmet largely due to an inability to have meaningful policy changes implemented through the procedural process used by RMA.

- **Citrus Canker**

One such instance involves the Citrus Canker. This disease is devastating to citrus, and when found in a grove it requires the immediate destruction of all citrus trees within a 1900-foot radius of the infected area. RMA correctly recognized the need to add this peril as a covered cause of loss to the Citrus Tree insurance policy in 1999, and growers are now paid for trees destroyed as a result of this disease. However, Citrus Canker has yet to be added to the Citrus Fruit insurance policy as a covered cause of loss. This makes little sense to us, as any fruit hanging on a tree when it is destroyed is obviously lost as well. We have requested that RMA add this peril to the Citrus Fruit policy for the last 5 years, and have worked with RMA's Valdosta Regional Service Office to accomplish this task. Every year we have expected this addition, but as of the 2004 crop year, for which the Sales Closing Date was April 30 of this year, it has not been done. The logic in this is non-existent, as it makes no sense to pay a grower for the loss of his trees but not the loss of the fruit crop they are producing at the time of destruction.

- **Nursery Stock**

Coverage for Nursery Stock is another area of concern. This policy came into existence in the mid-1980s, and has been of great assistance to our growers through the disasters that have occurred over the years. However, the diversity of this industry, not just in Florida but nationwide, makes it such that gaps in coverage exist under this policy.

Again, in 1999, RMA revised the policy and made many needed changes; however, it did not go far enough. Additionally, it added some new guidelines and restrictions that have, in many ways, made the policy less useful as a meaningful risk management tool for growers.

For example, only plants for which RMA has established an average price in an area are insurable. In the opinion of industry, price should not be a factor in whether or not coverage is offered, as price risk is not a covered cause of loss. Industry believes that, if a plant can be established as hearty to a given area under a specific set of growing conditions; it should be insurable whether or not RMA has established a value for it up front.

Along those same lines, RMA requires that inventory be valued at the lower of the grower's actual selling price or the price listed in RMA's Eligible Plant Guide. This sounds good up front, but is a nightmare in practice, as most growers have multiple varieties of plants in their inventory, in many different container sizes. The container size issue here is a problem its own, as RMA prints a guide as to entire how a container's size is determined. While the guide is taken from an industry publication, in practice it has very little to do with how growers and buyers of plants perceive these sizes.

As such, in order to know how much insurance they have, growers must utilize an RMA-provided computer program that they must input each variety they grow; in each container size it is grown (after adjusting these to meet RMA standards), just to establish the value RMA considers their plants to have. They must then compare this list to the prices they charge for their plants, take whichever figure is lower, and multiply their inventory numbers, on a size-by-size, variety-by-variety basis, and then total them. All this just to know what their inventory value is for insurance purposes.

Just from the description above, you can see the problem. Add to it the fact that the computer program is not user-friendly for growers, to the point that in my agency we carry out this task for our growers, as they simply cannot do it themselves in any kind of timely or accurate manner. While I consider this a huge risk to my agency from an errors and omissions standpoint, I feel it is one that I must take in order to see that my growers are adequately and accurately protected.

All of that being said, there is a simpler way to do this: simply use the growers' price list as the basis of value. At the time of loss, a loss adjuster can verify that the prices used by the grower in establishing his value are indeed what he sells his plants for, and the inventory value can be revised at that point if in fact the growers' prices were inflated. The potential savings from this simplification in terms of time wasted in re-calculating inventories alone is huge and would be a benefit to all. This has been and continues to be the nursery industry's recommendation to RMA for 15 years, but to date they have expressed no interest in implementing it.

The nursery industry has offered many other suggestions to RMA as well. Several of these have been on the table for over 10 years, but never acted upon. The entire list is attached as Exhibit 1, but I would like to touch on two of them specifically.

First, RMA currently allows growers to insure plants only if they are grown within a given Hardiness Zone. This makes perfect sense when the plants are grown outdoors, as a palm tree could not reasonably be expected to survive in Maine. However, this requirement becomes meaningless when the plants are grown in a controlled environment such as a greenhouse. In this instance, the grower has minimized if not entirely removed the risk of loss to those plants. Under current guidelines, though, the stock not listed as hardy to the area is uninsurable whether or not it is grown in a controlled environment.

There is also a major issue in Florida with rating. Currently, a nursery grower in my hometown of Winter Haven, which is centrally located and 90 miles from each coast, pays the same rate for insurance coverage as a grower in Miami, almost 200 miles away. However, in our area, nurseries rarely take losses, while the Miami-Dade area experiences regular and disastrous events, primarily from hurricanes and heavy rainfall. This cannot be justified actuarially and has been pointed out to RMA many times. We are often told that the policy will be re-rated, and while this has been done in some instances, it has yet to take on a meaningful form. As such, growers in the Miami-Dade area are able to purchase high levels of coverage to protect their risk, yet growers in Central Florida by and large only purchase CAT coverage since they consider the cost to be excessive when compared to their risks.

The rating problem exists in the Citrus Fruit policy as well. No meaningful reduction in rates has been implemented during my 23 years of involvement with this crop insurance policy, although it has a very low loss ratio over that time. In 1996 RMA did a major design change in the structure of this policy that on the surface reduced rates substantially. However, a closer look reveals otherwise.

Prior to the change, a grower buying a Citrus Fruit policy had a 10% deductible regardless of the level of coverage he purchased. The policy change implemented by RMA mirrored the row crop deductibles of 15-50%. When a premium calculation was done, the cost of a 15% deductible was actually higher than the same amount of coverage available under the old policy. The net result of all of this was that growers now had a larger deductible, and had to pay more to maintain the lowest deductible available. In other words, they paid more and got less.

Situations like these exist in most if not all specialty crops. While I applaud all of the effort of RMA has made to meet the needs of our growers, and their willingness to listen to our needs, more needs to be done to make these policies all that they could and should be.

2. Inadequate Time Between Release of Information by RMA and the Sales Closing Date

As you can see from the examples I have given above, these policies are by their very nature complex. A great deal of training is required of both company and agency personnel. It also requires a great deal of grower education in order for them to make the most informed risk management decisions possible. Materials and training must be provided early enough in the process to allow all of these functions to take place. We should be given a minimum of four months, and longer if possible, to work with this material once it is in its final form. In far too many instances this does not happen.

The insurance company must review all of the material pertinent to any given crop to know whether or not there have in fact been any changes to the program. This includes a review of the Crop Insurance Handbook for that year, both the general and crop-specific policy provisions involved, and the actuarial documents, among others. Once they have done this, they must then present it to their agents, who, in turn present it to their growers, who decide on their appropriate levels of coverage for the upcoming year. All of this must be accomplished by the Sales Closing Date, which varies by crop and is defined in the policy. It is also an inflexible date, with no exceptions made. If a grower hasn't made his risk management decisions by a certain date, he's out of luck for a year.

In each crop policy RMA has also set a deadline for itself by which it must release this material for the upcoming year. However, in many cases this deadline does not allow sufficient time for all of the activities described above to take place. In the case of nursery stock, for example, the deadline for release of the material is June 30, and the Inventory Filing deadline for renewal policies is October 1. 90 days is an insufficient amount of time from the perspective of private industry. In reality, if the grower is renewing his policy, he must report any changes to his inventory value by September 1, if he wants the changes in effect on his policy by October 1. This is true because there is a 30-day waiting period for any changes to take effect. As such, private industry actually only has a 60-day window in which to review the material for the upcoming year, prepare the necessary inventory schedules, inform our growers, and the growers make their insurance decisions for the upcoming year and report their inventories.

This task is virtually impossible to carry out professionally within this time frame, yet this is exactly what we are faced with this year. The Eligible Plant List for the 2004 crop year was released July 1. Companies are currently in the process of comparing the new list to 2003's to determine if there were any changes, and if so, what they are. Once I know that, I can begin the renewal process, but I cannot begin until that time. Currently, our training is scheduled for the 22nd of July. This will leave 28 working days my two agents and I to contact our 225+ customers and complete the renewal process.

All this assumes that the material is correct when it is released, sadly there are times when it is not. Such was the case of the Eligible Plant List last year, when some 150 varieties grown in Central Florida were inadvertently left off the list. By the time RMA was able to make the correction and release the final version, September 1 had come and

gone. We as agents were thus put in the position of asking our growers to report their inventories and make their risk management decisions as though they were based on the corrected price list, even though the corrected list had not yet been released. This points out our high risk of errors and omissions exposure. In this case, I had two choices: either have my growers report their inventories and choose their coverage levels based on a promise which was not yet in writing, or report the value based on the printed but soon to be revised schedule and revise it after the corrected list came out, thus leaving them underinsured during the 30 day waiting period after the revisions were made.

To be fully fair here, I do believe that RMA does make every effort to release material to us in what they consider to be a timely manner. I also believe they understand the time requirements of the private sector. However, when they cannot meet these needs, for whatever reason, they must be more flexible in giving us the time we need to adequately and professionally complete our tasks. In a nutshell, and I don't mean to be overly harsh here, but RMA's release dates are written in sand for themselves, but in concrete for the private sector. This is a situation that should be addressed.

3. Regulations under Section 508h of ARPA for Submissions of Private Designed Insurance Products Must Be Streamlined.

Section 508h of the Agricultural Risk Protection Act of 2000 (ARPA) allows for private entities to submit private products, which they have designed to the FCIC Board of Directors. The Board then has the option of approving the program presented, with the submitting group then entitled to reimbursement for the cost of developing the program.

We in the specialty crop industry were very pleased when this provision was a part of the final bill. We felt that we could now move forward not only with some long sought policy revisions, but also would finally be able to offer coverage on a large number of commodities for which no program currently exists. However, the procedure RMA has written for filing a policy with the Board is so onerous that it cannot be taken seriously as an avenue we can use. Exhibit 2, which is attached to this testimony, shows this very clearly. If Congress' goal under this section of ARPA was to allow for a simplified procedure for the improvement and addition of specialty crop policies, this procedure must be revised.

Additionally, while RMA has contracted out a large number of studies and programs as mandated by ARPA, few of these have seen the light of day, and none have benefited specialty crop growers. This combined with RMA's slow pace of making changes recommended by private industry has left us in the same place we were in before the passage of ARPA -- frustrated. This is a major stumbling block for us, and we would urge that the necessary changes be made to implement the intent of Congress in allowing us freer access to the Board with our programs.

I would like to thank RMA for its efforts in offering coverage to the specialty crop industry in America to date. I would also like to thank in particular the Administrator of RMA, Ross Davidson, who has been extremely open and available to listen to our needs and requests. I would also be remiss if I did not mention the ongoing assistance of the staff of the Valdosta RSO, as well as Bob Vollmert and his team at RMA's Research and Development office in Kansas City. We are all working toward the same goal, to offer a sound protection to America's specialty crop producers. The specialty crop industry is willing and available to work with Congress and RMA to make changes to improve the program.

Thank you again for your invitation, I hope I have provided you with an informative snapshot of the challenges the industry faces and I will be happy to respond to your questions.

Exhibit 1

PROPOSED REVISIONS FEDERAL CROP INSURANCE NURSERY STOCK PROGRAM

1. FCIC should use the grower's wholesale price list as the basis for coverage valuation. Eliminate the use of the current FCIC-printed wholesale price and eligibility list for valuation purposes (continue to use the list for eligibility purposes only).
2. Allow coverage for plants grown in smaller than 3-inch containers.
3. Treat field grown and containerized plants as separate crops.
4. Allow for year round sales of the policy, subject to a 30-day waiting period for coverage to begin.
5. For containerized plants, the container size of any plant shall be as listed in a growers wholesale plant list without regard to the actual soil volume the container is capable of holding.
6. For Florida, restrict the peril of excess rain to damage incurred in conjunction with a tropical cyclone or an event, which is declared a disaster area by USDA.
7. Divide the state into several different rating zones (currently there are only 2).

508(h) Submission Checklist

Exhibit 2

Product: _____ Date: _____

1. First Sales Closing Date Proposed:
2. Date Submission Received by RMA:
Days Between 1 and 2:

Section 400.705 - Contents of Submission

A. Each submission must include the following material:

- ☒ (1) Applicant's name
- ☒ (2) Type of submission
- ☒ (3) Proposed crops, types, varieties, or practices covered.
- ☒ (4) Geographical areas in which the submission will be applicable.
- ☐ (5) Potential crop acreage, production, and liability that could be written. This should be estimated by crop and state.
- ☐ (6) Percentage of crop acreage, production, and liability that is expected to be written. This should be estimated by crop and state.
- ☒ (7) Crop year in which the submission is proposed to be effective.
- ☒ (8) Proposed duration of the approval, if applicable.
- ☒ (9) A statement of the applicant's intent to expand the program in future crop years to different geographical areas or crops, types, varieties, or practices, as applicable.
- ☒ (10) A statement of whether the applicant is requesting reinsurance, administrative and operating subsidy, or risk subsidy for the submission, and if so, the proposed methods of calculating the risk subsidy or A&O subsidy.
- ☒ (11) The method for calculating the subsidies if subsidies are requested.
- ☒ (12) Whether or not the submission will be filed with the applicable Commissioner of Insurance for each state proposed for sales, and, if not, the reasons.
- ☒ (13) Notice as to whether or not the submission complies with standards listed in the Data Acceptance System Handbook (Manual 13) for processing and acceptance of data. (Unless prior agreement was made as part of the development process of the product.)
- ☒ (14) Identification of contacts for policy and procedural issues and questions that may arise in administering the program, if it is approved.
- ☐ (15) Identification of parties responsible for the product liability and the basis for such responsibility.

X - Information Provided
na - Not Applicable

508(h) Submission Checklist

Including liability for flaws in product design.

- ☐ (16) Procedures for annual reviews to ensure compliance with all requirements of the Act including contact persons responsible for each task, the title of these persons, the date to be completed, and the date by which information (policy information, forms, and any other related documents) will be available for release. Documents must be available for release to producers 30 days prior to the earliest sales closing date and available to all companies 75 days before the earliest sales closing date.
- ☐ (17) A description of how the benefits of the submission will offer producers coverages or costs that differ significantly from existing programs and that the type of insurance being proposed does not already exist in the private sector. This should be supported by market research results that identify the respondents by group and type, the number of respondents, and provides verifiable evidence of the demand for the submitted product.
- ☐ (18) A description for taxpayers of how the submission meets public policy goals and objectives as stated in the Act, statements of the Secretary, or similar officials or laws. This must include the rationale and data supporting the request for RMA's financial commitment.
- ☒ (19) Any accumulated insurance experience from all years and all states where the submission has previously been offered and a comparison of this experience with other crop insurance programs.
- ☐ (20) An explanation of any provisions not authorized under the Act and the premium apportioned to these provisions.

B. With respect to any submission that impacts the amount of premium charged to the producer, the applicant must provide with the submission:

- ☒ (1) A detailed description of the rating methodology, including all formulae and equations used to determine subsidized and unsubsidized premiums or rates of premium.
- ☒ (2) A list of the assumptions used in the formulation of the premiums or rates of premium.
- (3) Simulations of the performance of the proposed premiums or rates of premium based on one or more of the following:
 - ☐ (a) By determining the total premiums and anticipated losses that would be paid under the submission and comparing these totals to a comparable insurance plan offered under the authority of the Act (Such simulations must utilize all experience available and include at least one year where indemnities exceed total premiums.); or
 - ☐ (b) Results of a stochastic simulation of the submission that is based on the same assumptions as those used to develop the premium rates, including sensitivity tests that demonstrate the probable impact of an erroneous assumption; or
 - ☐ (c) By means of any simulation that can be proven to provide results comparable to those described above.

X - Information Provided
na - Not Applicable

508(h) Submission Checklist

- ☒ (4) Worksheets that provide the calculations in sequential order and in sufficient detail to allow verification that the premiums charged for the coverage are consistent with policy provisions. (Any unique premium component must be explained in sufficient detail to determine whether the existence or amount of the premium or premium rate is appropriate.)
- ☐ (5) A certification that includes an evaluation of all supporting documentation and analysis from an accredited associate or fellow of the Casualty Actuarial Society or a similar uninterested third party who did not participate in the primary development, or a peer review panel, or both. The evaluation must demonstrate that the submission is consistent with sound insurance principles, practices, and the requirements of the Act.
- C. With respect to those submissions that involve new or revisions of an existing crop insurance program, the applicant must provide with the submission:
- ☒ (1) An insurance application and related policy forms and instructions for completing and processing such forms.
- ☒ (2) The insurance policy provisions.
- ☒ (3) A sample of the actuarial documents.
- (4) The underwriting rules, including but not limited to:
- ☒ (a) The procedures for accepting the application; and
- ☒ (b) The rules for determining program eligibility, including but not limited to, minimum acreage, premium requirements, sales closing dates, production reporting requirements, and inception or termination dates of the policy.
- ☒ (5) The application of administrative fees as required by the Act.
- ☒ (6) If required by FCIC, a description of available options that are different from any existing crop insurance program.
- ☒ (7) Information necessary to establish coverage and to determine claims, including prices that must be made available during the insurance period. (This information must specify how and when such determination is made and that the process is in compliance with policy provisions.)
- ☐ (8) If required by FCIC, any other applicable underwriting requirements.
- ☒ (9) Agent training plans.
- ☐ (10) If required by FCIC, statements from at least three commercial reinsurers or reinsurance brokers regarding the availability of commercial reinsurance, the amount of commercial reinsurance available, and the proposed terms of reinsurance.

X - Information Provided
na - Not Applicable

508(h) Submission Checklist

(11) Loss adjustment procedures and calculations that include, but are not limited to:



(a) Procedures that clearly specify the methods for determining the existence of and the amount of any payable loss under the submission and that demonstrate that such determinations are consistent with policy provisions; and



(b) Examples and worksheets that provide the steps for calculating the amounts of any payment for indemnity (loss in price or yield), prevented planting payment or replant payment in sequential order and in sufficient detail to allow review and verification that the indemnity calculations are consistent with the policy provisions. Any unique component must be explained in sufficient detail to determine whether the existence or amount of the claim is appropriate.



(12) A detailed calculation for determining commodity prices, coverage levels, the amounts of insurance, and production guarantees.



(13) A detailed description of the causes of loss covered and excluded under the submission.

D.

The submission must also include:



(1) Computer disks or other electronic media in a format acceptable to RMA.

X - Information Provided
na - Not Applicable

ROBERT E. CARDEN JR.
P. O. BOX 1834
WINTER HAVEN, FL 33882

EDUCATION

B.S., Florida State University, 1976

WORK EXPERIENCE

Carden Oil Company 1976-7
Sales Manager

Credit Alliance Corporation 1977-8
Assistant Credit Manager, Atlanta Regional Office
Credit Manager, Orlando Branch Office

Associates Commercial Corporation 1978-80
Sales Representative, Heavy Equipment Leasing

Twelve Oaks Nursery 1979-92
Partner, Wholesale Nursery Production

Federal Crop Insurance Corporation 1980-83
Loss Adjuster
Loss Adjustment Supervisor
Regional Agent Training Team
Regional Quality Control Supervisor
Regional Program Development Coordinator

Carden & Wampler Groves 1984-1993
Owner & Manager, Citrus Production Operation

Florida Crop Security Corporation 1983-1988
Sales Manager, Managing General Agency

CWW Tree Farm Partnership 1984-6
Partner, Ornamental Tree Farm

Sid Banack Insurance 1988-98
Crop Insurance Specialist
Department Manager, Crop Insurance
Vice President

Carden & Associates, Inc. 1998- Present
President, Crop Insurance Sales Agency

LEADERSHIP AND AWARDS

USDA Certificate of Appreciation, Superior Work in Agents Training, 1982
Outstanding Young Men of America Award, 1989
Member, St. Joseph School Board of Directors, 1992-7
Chairman, 1994-5
#1 Sales Agency in U. S., IGF Insurance Company, 1996
Member, IGF Insurance Company Agents Advisory Committee, 1996-8
Chairman, Crop Insurance Committee, American Nurserymen and
Landscape Association 1999
Member, Fireman's Fund Agribusiness Agents Advisory Committee, 2000-
2003

PERSONAL

Married, wife Judith
Age: 45, born 11/21/55
3 Children: Aubrey 21, Student, Florida State University
 Daniel 19, U. S. Navy, Naples Italy
 Ryan 15, Student, Winter Haven High School

HIGHLIGHTS OF AGRICULTURAL/INSURANCE PROFESSIONAL EXPERIENCE

TWELVE OAKS NURSERY, 1979-92

This was a wholesale nursery facility I started and ran along with my father upon his retirement from his oil distributorship. We grew Philodendron-type plants in hanging baskets, poinsettias in a variety of sizes for the Christmas market, and rose bushes.

FEDERAL CROP INSURANCE CORPORATION, 1980-3

I performed a number of different duties during my time with FCIC. I was originally hired and worked as a loss adjuster, and adjusted over 200 citrus claims in a 3 county area during that time. Subsequently promoted to claims supervisor, I oversaw the work of 5 other adjusters.

In late 1981, FCIC began a move to privatize the sales and service of crop insurance, and I worked with as a member of their Southeastern Regional Training Team. My duties there included designing training materials and lectures which were presented to the companies and agents that would be selling and servicing the product. This lasted approximately one year.

At that point, I was appointed Regional Quality Control Supervisor for Florida. My job here involved reviewing the work of field adjusters for accuracy as well as continued assistance to the companies and agents now writing crop insurance.

Concurrent to this, I was also asked to serve as Program Development Coordinator, helping to design the new crop insurance programs that were being made available as a result of privatization/expansion. In this position, I wrote the loss procedures to be used in implementing the Fresh Market Vegetable programs that were released in 1983. The basic procedure I designed for these crops is still in use today.

FLORIDA CROP SECURITY COMPANY, 1983-8

This company was a Managing General Agency selling crop insurance for Old Republic Insurance Company in Florida. I was it's sales manager. During our 5 years of existence, we handled more business than any other group in Florida. Our main crops insured were Citrus, Tomatoes, Peppers, Sweet Corn, Potatoes, and Nursery Stock.

FLORIDA CROP SECURITY (cont'd)

We also began writing Named Peril crop insurance policies, which involved designing policies for which no Federal Crop policy existed, or on which Federal Crop offered inadequate coverage. These crops included Citrus, Nursery Stock, and Pole Beans.

The company disbanded with the withdrawal of Old Republic from the crop insurance Marketplace.

CARDEN & WAMPLER GROVES, 1984-93

This was a 40 acre citrus grove which I owned along with a partner. Our crop consisted of 2 varieties of Tangelos. We suffered through a severe freeze in 1989, and sold the grove for commercial development in 1993.

CWW TREE FARM PARTNERSHIP, 1984-6

This enterprise raised citrus trees in grow bags for ornamental use in landscape design. The company was disbanded when the trees were sold and the land lease was not renewed.

SID BANACK INSURANCE, 1988-98

Sid Banack Insurance was the largest agency working with Florida Crop Security, and they hired me upon it's demise. Inheriting a department with total annual premium writings, in 10 years under my supervision this grew to \$6,500,000+. Included in this figures was the growth of Named Peril Insurance to over \$1,000,000 in premiums, covering the packing house overhead risk of citrus and vegetable packers as well as the grower risks of various nursery, citrus, vegetable, and blueberry growers.

In 1996, we grew to the point that we became IGF Insurance Company's largest agent nationally in terms of MPCCI premium volume. We were also the largest volume writer of Named Peril Insurance for Redland Insurance Company in 1994-6.

CARDEN & ASSOCIATES, INC., 1998-PRESENT

Carden & Sprott Insurance, Inc. was formed by purchasing a portion of the crop insurance assets of Sid Banack Insurance. In 2002, partner Carden bought out partner Sprott & changed the agency name to Carden & Associates, Inc., which it

CARDEN & ASSOCIATES, INC. (cont'd)

currently operates as. From our beginning volume of \$2,500,000 in MPCCI premiums, we now write in excess of \$11,000,000 in premiums. Our premiums are generated in large part by the Citrus, Tomato, and Nursery industries, but we also write coverage for row crops and sugarcane in smaller amounts. Our agency insures the largest amount of citrus acreage in Florida.

We have also continued to work in the Named Peril arena, writing coverage for Nursery Stock, Citrus Fruit, and Tomatoes. Premium writings in these areas have approached the \$500,000 range.

We have also begun to write business in other states as well. Currently, we insure almost 10,000 acres of Fresh Tomatoes in California, Virginia, and Georgia, as well as Nursery operations in Texas, South Carolina, and Alabama.

OTHER

Over the past 5 years, I have worked with Florida Citrus Mutual and the Florida Nurserymen & Growers Association to implement meaningful changes into the MPCCI policies for their specific crops. This activity is ongoing at present.

Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2001.

Name: Bob Carden
Address: P.O. Box 1834 Winter Haven, FL 33882
Telephone: 863-291-3505
Organization you represent (if any): _____

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2001, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: NONE Amount: _____
Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2001, as well as the source and the amount of each grant or contract:

Source: NONE Amount: _____
Source: _____ Amount: _____

Please check here if this form is NOT applicable to you: ☒

Signature: Robert Carden

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.

Committee on Agriculture
U.S. House of Representatives
Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. Name: Robert E. (Bub) Cardon Jr.
2. Business Address: P.O. Box 1834
Winter Haven, FL 33882
3. Business Phone Number: 863-291-3505
4. Organization you represent: _____
5. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:

6. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:

7. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.